

November 19, 2008

Bureau of Near Eastern Affairs
US Department of State

Unclassified

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HIGHLIGHTS

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• World Food Program Assessment Finds Improvement in Iraqi Food Security (ECONOMIC, page 14).

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POLITICAL - Governance & Legislation



<u>Iraqi Cabinet Approves Status of Forces Agreement:</u>

 Iraq's Cabinet approved the U.S.-Iraq Strategic Framework Agreement and the Security Agreement November 16, after 27 of the Cabinet's 37 ministers voted in favor of the bilateral deal. They are now with Iraq's Council of Representatives for approval. The Iraqi Parliament is expected to vote on the agreement on November 24.

Dismissals of Anti-Corruption Officials:

• The New York Times reported that the government of Prime Minister Maliki is systematically dismissing Iraqi oversight officials. The article noted that although some Iraqi officials said that the dismissals were not politically motivated, others thought that they had been undertaken in secrecy and that this supported their belief that there had not been a good cause for the removals. Prime Minister Maliki's coordinator of anticorruption organizations, who is himself the Inspector General at the Ministry of Health, said that the members of the cabinet committee that recommended the changes were professional, not political, people.

POLITICAL - Governance & Legislation



Bridge Connecting Sunni and Shi'a Neighborhoods in Baghdad Reopens:

 A ceremony took place November 11 to celebrate the reopening of the Bridge of the Imams, which had been barricaded since a stampede in 2005 killed more than 800 Shi'a pilgrims. The stampede resulted from panic after a rumor spread about a suicide bomber. The bridge connects the Sunni neighborhood of Adhamiyah and the Shi'a neighborhood of Kadhimiyah. The Iraqi government made the decision to reopen the bridge.

Minister of Water

Resources

Dr. Abd al-Latif Jamal

Rashid Minister of State for

Foreign Affairs

Dr. Muhammad Munaiid

Aifan al-Dulavmi

Sports

Eng. Jasim Muhammad

Jaffar

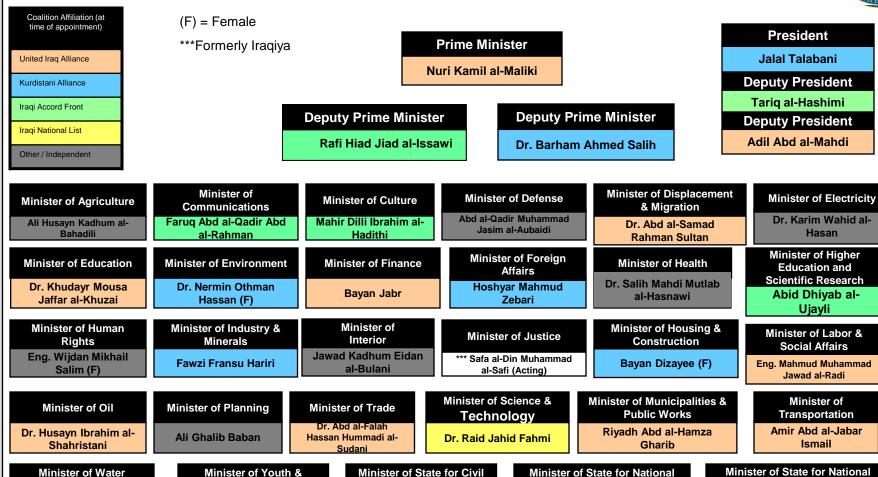
Minister of State for Provinces

Affairs

Dr. Khulud Sami Izzara al-

Majun (F)





Minister of State for Tourism

and Antiquities

Dr. Qahtan Abbas Numanal-

Jabburi

Dialoque

Dr. Akram Mousa Hadi al-

Hakim

Minister of State for

Women's Affairs

Dr. Nawal Majid Hamid (F)

Society Affairs

Dr. Thamir Jafar al-

Zubaidi

Security

Eng. Shirwan Kamil al-Waili

Minister of State for CoR

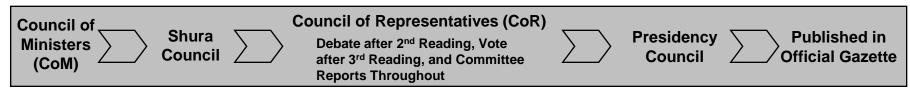
Affairs

Safa al-Din Muhammad al-Safi

POLITICAL – Key Legislation and Refugee Update



Legislative Process



Provincial Elections PASSED: passed by the CoR on September 24; signed by the Presidency Council

on October 7. The law includes an article entering it into force immediately upon signing, not waiting for publication in the Official Gazette. On November 3, the CoR passed an amendment guaranteeing minority representation on certain provincial councils. The Presidency Council approved the amendment on November 8.

Hydrocarbons Package The Framework Law was resubmitted to the Oil and Gas Committee on October 26 and

then returned to the Council of Ministers. There has been no progress on the other

three laws.

Amnesty Law PASSED: CoR approved the law on February 13; the law was signed by the

Presidency Council February 26 and came into effect March 2.

Pensions Amendment PASSED: Published in the Official Gazette December 2007.

De-Ba'athification PASSED: Approved by default by the Presidency Council February 2008. Reform

Published in the Official Gazette in mid-February.

Provincial Powers PASSED: CoR approved the law on February 13; the law was vetoed by the

Presidency Council February 26. The veto was rescinded on March 19. The provisions within the law will enter into force once Provincial Elections are held.

Refugee Update

- Refugees in the region: 2-2.4 million
- Internally displaced persons in Iraq: 2.7 million
- The U.S. admitted 13,823 Iraqi refugees in FY08 (which ended September 30).
- The U.S. seeks to admit a minimum of 17,00% Iraqi refugees in FY09.

SECURITY - Situation Update



Coalition and Iraqi Security Forces Degrade al-Qaida in Iraq Networks:

Coalition and Iraqi Security Forces (ISF) further dismantled al-Qaida in Iraq's (AQI) terrorist leadership and bombing networks last week, capturing and killing terrorist operatives throughout Iraq. During operations November 13 through 18, Coalition Forces (CF) and ISF killed four AQI terrorists and detained over 30 others including regional and senior AQI leaders, operational planners and facilitators, and individuals suspected of assassinations, improvised-explosive device (IED) attacks, and suicide car bomb operations.

SECURITY - Security Transition



Azerbaijan to Redeploy Troops from Iraq:

 Azerbaijan's parliament voted November 14 to redeploy their 150 troops serving as part of Multi-National Force – Iraq. Azerbaijan's troop contingent has served in Iraq since 2003, guarding critical infrastructure and conducting security patrols. Earlier this year, Azerbaijan doubled its force in Afghanistan to 45 soldiers.

Joint Naval Training Exercise Builds Iraqi Navy Readiness:

• The U.K.-led Naval Transition Team (NaTT) conducted a Joint Naval Training Exercise with the Iraqi Navy in the northern Gulf last week. The exercise familiarized 28 Iraqi sailors with the type of ships they will utilize at the Umm Qasr port starting July 2009. The Iraqi Navy is set to receive four, new Saettia Class Patrol Ships (PS), which are being constructed in La Spezia, Italy. The Saettia Class ships will form the principal units of the rapidly expanding Iraqi fleet. Following this familiarization training, Iraq's Saettia Class crews will attend three-month long ship specific training in La Spezia to learn how to operate and maintain their new ships.

SECURITY – Security Transition



<u>Lutifiyah Sol Receive Payment from Iraqi Government:</u>

• The Sons of Iraq (SoI) in Lutifiyah received their first payment from the Government of Iraq November 13. The Iraqi Army's 17th Division facilitated the payments at a battalion headquarters in Lutifiyah south of Baghdad. Coalition Forces monitored the progress, as the Iraqi Army successfully paid over 90 percent of the SoI in the area in the first five-days of the week-long process. Coalition Force leaders commented that "the performance of the Government of Iraq and the Iraqi Army through this pay period stands as another great example of the Iraqis taking the lead and being successful."

Iraqi Security Forces (ISF), Coalition Forces Hold Border Security Conference: Iraqi

 Army, Police and border patrol officials met with Coalition Force leaders in Amarah, Maysan province November 15 to synchronize efforts to increase border security for the province. ISF and Coalition Forces also used the meeting as a chance to share information regarding suspected criminal activity in the province and an opportunity to emphasize the importance of border security to the Iraqis. ISF units in southern Iraq have arrested approximately 200 suspected criminals and seized more than 9,000 various munitions – to include improvised explosive devices and explosively formed projectile materials since the middle of 2008.

SECURITY - Iraqi Security Forces



Iraq Security Forces as of Sept. 30, 2008 ^a						
Component	Current Authorized Personnel	Assigned ₆ Personnel	Total Trained Personnel to date			
Ministry of Interior (MoI) Forces ^e						
Iraqi Police Service ^f	327,380	305,713	204,404			
National Police ^g	46,707	41,305	52,382			
Border Enforcement	47,750	39,294	35,886			
Total Mol	421,837	386,312	292,672			
Ministry of Defense (MoD) Forces ⁿ						
Army	171,225	186,957	235,606			
Support Forces	15,583	20,066	21,144			
Air Force	3,603	1,988	2,799			
Navy	3,543	1,898	1,494			
Total MoD	193,954	210,909	261,043			
Counter Terrorism Bureau						
Special Operations j	4,733	4,159	4,564			
Total Iraqi Security Forces	620,524	601,380	558,279			

^{**}The decrease in authorized MoD forces from the April 30 Weekly Status Report with ISF data as of March 31 reflects a change in a temporary GOI policy to increase front line units to 120% of authorized end strength to maintain present-for-duty totals at 100% while soldiers took leave. This change will make ISF reporting consistent with standard military personnel accounting practices in other countries and provide a clearer representation of ISF manning levels.

- a. Numbers do not include ministry staffs.
- b. Numbers reflect Government of Iraq (GOI) authorizations.
- c. Numbers are based upon GOI payroll data and do not reflect present for duty totals.
- d. Numbers reflect total Iraqi Security Forces (ISF) personnel trained to date, some of which are no longer assigned due to casualties, AWOL, and normal separation.
- e. Mol strength excludes other services within Ministry Of Interior (MOI), including the MOI HQ, MOI Forensics, Facility Protection Services, and contracted guards.
- f. The Iraqi Police Service consists of all provincial police forces (station, patrol, traffic, and special units) assigned to all 18 Iraqi provinces.
- g. Includes the national Emergency Response Unit.
- h. The Ministry Of Defense (MOD) authorized numbers are derived from Modified Tables of Organization and Equipment (MTOEs).
- i. The MoD Army Training and Support Forces include logistics units and training center cadre.
- j. Does not include personnel assigned to Counterterrorism Bureau (CTB) or Counterterrorism Command (CTC) headquarters.

ECONOMIC – Economic & Government Capacity Update



<u>Italian Delegation Visits Iraq to Scope Investment Opportunities:</u>

 A delegation from Italy visited Iraq to explore investment opportunities in the country. The trip included a two-day visit to the capital of the Kurdistan Regional Government, Erbil. Deputy Minister for Economic Development Adolfo Urso also inaugurated a workshop for construction and investment which was attended by 105 companies from the Middle East, Europe, and Asia.

ECONOMIC - Oil



Crude Oil Update:

Price averages in world markets closed with the following prices:

Basrah Light at \$49.30/barrel

Dated Brent at \$53.71/barrel

WTI Cushing at \$58.64/barrel

Oman/Dubai at \$52.13/barrel

Revenue estimates:

2006: \$31.3 Billion

2007: \$41.0 Billion

2008: \$58.6 Billion (ytd)

<u>Iraq and CNPC Sign Oil Agreement:</u>

• An official in the Ministry of Oil, Ahmed al-Shamaa, said that the Iraqi state-owned North Oil Company had signed an agreement with China National Petroleum Corporation (CNPC) for the development of the Ahdab oil field on November 10. The contract is the renegotiation of the 1997 production sharing agreement into a service contract. "The contract includes developing the field, digging wells, laying down bibs, delivering crude oil to the national grid, and natural gas processing and delivery," al-Shamaa said. Iraqi Minister of Oil Husayn al-Shahristani and CNPC President Jiang Jiemin attended the signing ceremony which was held in Baghdad.

ECONOMIC – Essential Services



World Food Program Assessment Finds Improvement in Iraqi Food Security:

• According to an assessment carried out by the Government of Iraq (GOI) and the UN World Food Program (WFP), there has been a dramatic improvement in food security in Iraq. The Comprehensive Food Security and Vulnerability Assessment (CFSVA) found that 930,000 people did not have adequate access to food, a drop from the 2005 number of approximately four million. The GOI allocates every Iraqi a monthly food basket through its Public Distribution System (PDS), but the lack of certain commodities and delays in distribution has made it difficult for vulnerable households to meet their monthly food needs. The CFSVA also looked at the nutritional status of children under five and found that although there had been an improvement in national acute malnutrition and negligible change in chronic malnutrition, in five districts, the stunting rates among children were "alarming."

ECONOMIC – Essential Services

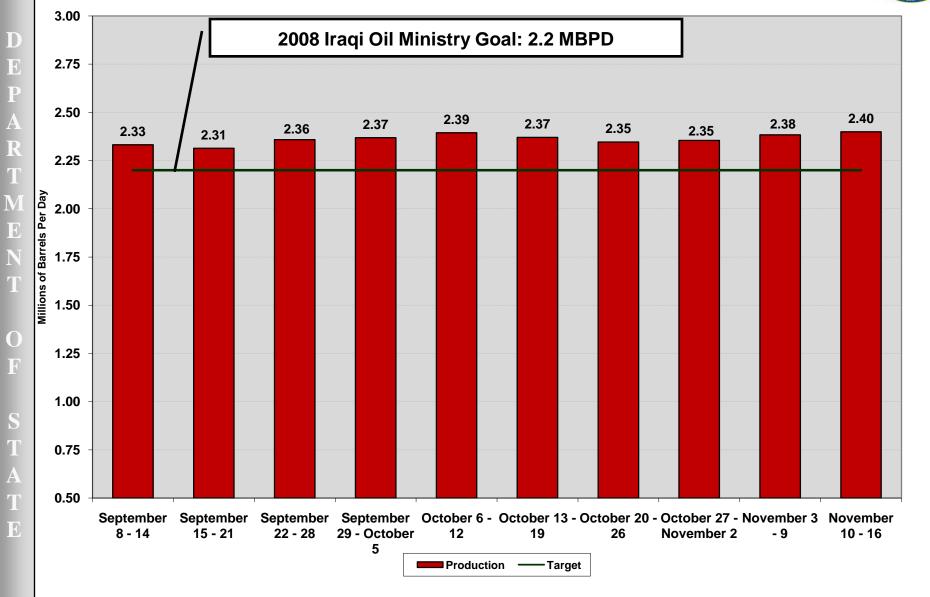


Opportunity for Liberal Arts Education in Iraq:

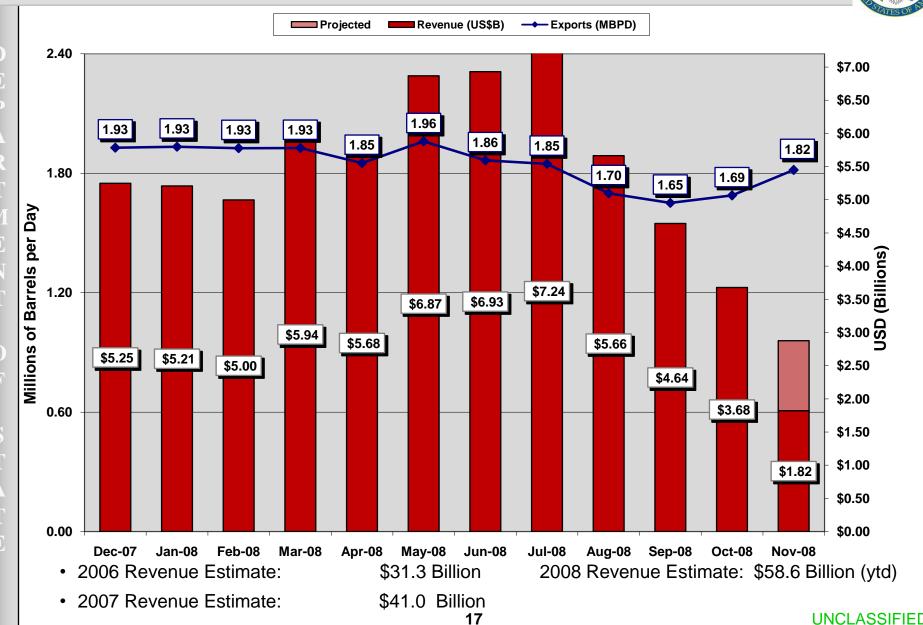
• Enrollment at the American University in Iraq, which opened in January 2007, has seen its enrollment jump from 48 last year to 256 this year. The university, which offers American-style liberal arts classes conducted in English, gives students the chance to earn a four-year bachelor's degree in business, computer science, or international studies, and has plans for petroleum engineer degree as well. The American University in Iraq seeks to educate the next generation to succeed in the private sector. "We're deliberately setting about to help develop the private sector, and that's why business and (information technology) are among our primary offerings," Chancellor Joshua Mitchell said. "Iraq is going to need a private sector and entrepreneurial class." The school is located in Sulaimaniyah, but has plans to eventually have campuses in Basrah and Baghdad.

ECONOMIC – Crude Oil Production



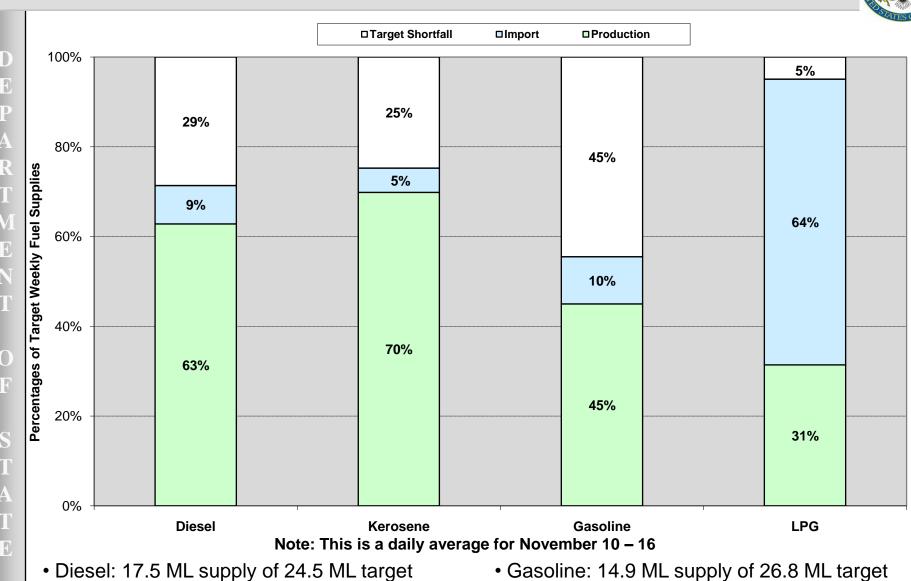


ECONOMIC - Crude Oil Export



ECONOMIC – Total Critical Refined Product Supplies





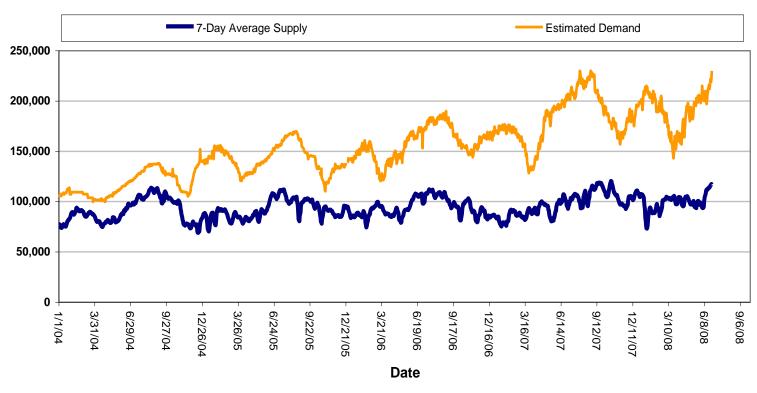
• Kerosene: 11.0 ML supply of 14.6 ML target

• LPG: 4,850 tons supply of 5,100 tons target

ECONOMIC – Electricity



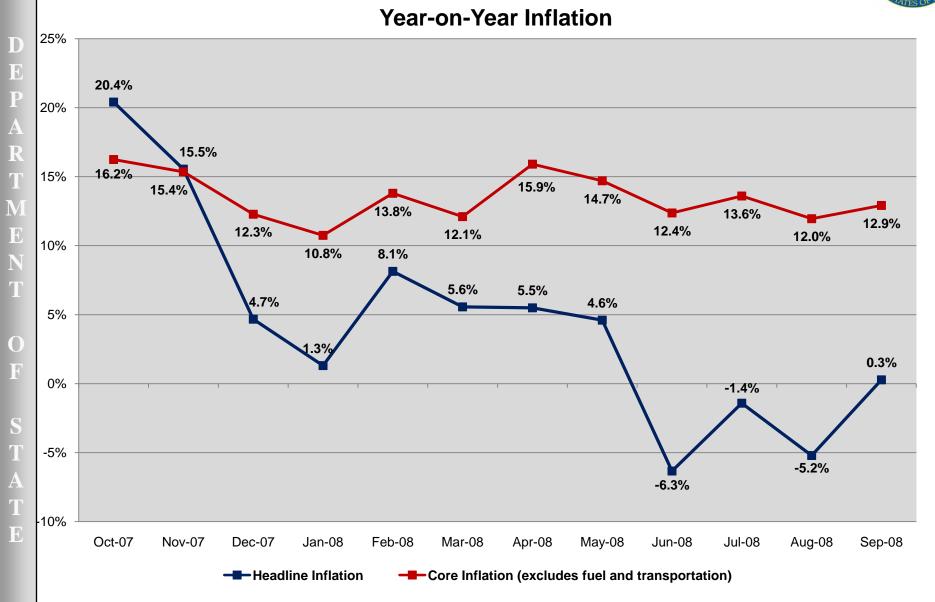
Daily Electricity Supplied and Estimated Demand in Iraq Since January 2004



- Daily electricity demand November 12-18 was 3% above the same period last year. Daily supply from the grid was 27% above the year-earlier period and met 71% of demand, compared with 57% for the year-earlier period.
- For November 9-15 average hours of power from the grid after meeting demand from essential services were Baghdad: 18.1 and national 15.3. Year-ago levels were Baghdad 9.39.1and national 12.4

ECONOMIC – Economic Indicators





ECONOMIC – Economic Indicators

Economic Indicator	This Week	Last Week	Last Month	Last Year			
Iraqi Commercial Bond Sales							
Price (USD)	\$50.28	\$50.28 \$51.39		\$62.82			
Yield	12.83%	12.83% 12.55%		10.16%			
Central Bank's USD Currency Auction							
USD Sold	***	*** \$87,039		\$66,957,492			
NID Exchange Rate	***	***	\$1,180	\$1,254			
Total Employed by USG Programs							
	116,567	117,332	122,788	N/A			



ECONOMIC - Iraq Relief and Reconstruction Fund (IRRF) 1 and 2

Sector\Status			Committed		Obligated			Disbursed			
(Millions of USD)	Allocated	Un- allocated	Last Week	Current	Change	Last Week	Current	Change	Last Week	Current	Change
Security and Law	\$4,960	\$17	\$4,937	\$4,937	\$0	\$4,937	\$4,937	\$0	\$4,871	\$4,871	\$0
Justice and Civil Society	\$2,299	\$20	\$2,263	\$2,263	\$0	\$2,262	\$2,262	\$0	\$2,181	\$2,182	\$1
Electricity Sector	\$4,178	\$36	\$4,066	\$4,064	-\$2	\$4,065	\$4,063	-\$3	\$3,940	\$3,952	\$12
Oil Infrastructure	\$1,717	\$7	\$1,608	\$1,608	\$0	\$1,608	\$1,608	\$0	\$1,581	\$1,582	\$1
Water and Sanitation	\$2,054	\$21	\$1,983	\$1,983	\$0	\$1,980	\$1,979	-\$1	\$1,849	\$1,859	\$9
Transportation and Comm\	\$462	\$2	\$459	\$458	-\$1	\$459	\$458	-\$1	\$421	\$423	\$1
Roads, Bridges and Const\	\$320	\$8	\$282	\$282	\$0	\$282	\$282	\$0	\$258	\$258	\$0
Health Care	\$810	\$9	\$793	\$793	\$0	\$793	\$793	\$0	\$744	\$745	\$1
Private Sector Development	\$838	\$1	\$820	\$820	\$0	\$820	\$820	\$0	\$814	\$814	\$0
Edu Refugees, Human Rights	\$470	\$0	\$436	\$436	\$0	\$435	\$435	\$0	\$409	\$409	\$0
Admin Expense (USAID,DoS)	\$220	\$0	\$218	\$218	\$0	\$218	\$218	\$0	\$208	\$208	\$0
Rescission	\$0	-\$50	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total IRRF II	\$18,328	\$71	\$17,864	\$17,862	-\$3	\$17,859	\$17,855	-\$4	\$17,278	\$17,303	\$25
IRRF II Non-Construction	-	-	\$7,972	\$7,970	-\$2	\$7,970	\$7,968	-\$2	\$7,773	\$7,779	\$6
IRRF II Construction	-	-	\$9,373	\$9,372	-\$1	\$9,369	\$9,367	-\$2	\$8,988	\$9,007	\$19
IRRF II Overhead	-	-	\$520	\$520	\$0	\$520	\$520	\$0	\$517	\$517	\$0
Total IRRF I	\$2,475	\$0	\$2,291	\$2,291	\$0	\$2,232	\$2,232	\$0	\$2,139	\$2,139	\$0
Grand Total IRRF I & II	\$20,803	\$71	\$20,155	\$20,153	-\$3	\$20,092	\$20,087	-\$4	\$19,417	\$19,442	\$2 5

Data as of 12 November, 2008

Apportion amounts reflect those of the latest Executive Office of the President Report, published by the Office of Management and Budget. Committed, obligated and disbursed amounts reflect last numbers reported by each agency.

DIPLOMATIC – Political Engagement



FM Zebari Visits Damascus:

 Iraqi Foreign Minister Hoshyar Zebari visited Damascus on November 12 to discuss bilateral relations with Syrian President Bashar al-Assad. According to the Iraqi Ministry of Foreign Affairs, Zebari presented a letter to President Assad from Prime Minister Maliki, detailing the latest developments in the U.S.-Iraqi SOFA agreement. Zebari emphasized that the Iraqi government opposes any action or policy that would make Iraq a staging point for any military operations against its neighbors. Zebari also discussed the Iraqi government's desire to "develop and activate bilateral relations."

FM Zebari Meets Swedish Minister of Commerce and Trade:

 Iraqi Foreign Minister Hoshyar Zebari met the Swedish Minister of Commerce and Trade, Ms. Ewa Bjorling and a Swedish business delegation November 17. Zebari stressed the Iraqi government's desire to "stimulate and activate economic and trade relations" with Sweden.

DIPLOMATIC – Coalition Contributors



19 Countries with forces in Iraq (including US)

Albania Czech Republic Korea Romania

Australia Denmark Lithuania Tonga

Azerbaijan El Salvador Macedonia Ukraine

Bosnia-Herzegovina Estonia Moldova United Kingdom

Bulgaria Japan

TOTAL ~ 6,350 Forces

25 Countries and NATO*

(including the US)

Support Iraqi Stability Operations

25 includes the US, the 18 countries listed above, and six non-MNF-I countries: Hungary, Italy, Netherlands, Portugal, Slovenia, Turkey Note: Fiji and New Zealand, participating as a part of the UN Assistance Mission in Iraq (UNAMI), are not included.

TES OF

CONTACT INFORMATION

- This brief draws from multiple sources. References are cited on the following pages.
- Please forward all questions and/or comments to:

NEA-I-IPOG-DL@state.gov

Slide 4:



- Bloomberg, http://www.bloomberg.com/apps/news?pid=20601087&sid=aLuQUK6EER9E&refer=home; Iraq Issues Checklist November 17
- New York Times, November 18, http://www.nytimes.com/2008/11/18/world/middleeast/18maliki.html?_r=1&scp=1&sq=iraq+oversight+officials+dismiss&st=nyt

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Slides 6-7:

Updated: November 19, 2008

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- MNFI Press Releases- http://www.mnf-iraq.com/index.php?option=com_content&task=view&id=23854&Itemid=128; http://www.mnf-iraq.com/index.php?option=com_content&task=view&id=23645&Itemid=21; http://www.mnf-iraq.com/index.php?option=com_content&task=view&id=23715&Itemid=128)Slide 9:
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Slide 11:

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Slide 12:

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Slide 13:

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- AP, November 12 http://ap.google.com/article/ALeqM5grxl5OUsLCHODCa2vyOTCmxoRQtgD94CPTSO0

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Slide 14:

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Slide 15:

AP, November 14 - http://www.cbsnews.com/stories/2008/11/14/ap/world/main4602374.shtml

Slide 16-18:

Department of State, NEA/I Economic/Assistance Section, NEA-I-ECON-DL@state.gov

Slide 19:

- Department of State, NEA/I Economic/Assistance Section, NEA-I-ECON-DL@state.gov
- The chart shows average daily power production in megawatt hours (MWh). 120,000 MWh goal equates to 20 hours at 6000 MW average supplied load or 24 hours at 5000 MW average supply load.

Slide 20:

Department of State, NEA/I Economic/Assistance Section, NEA-I-ECON-DL@state.gov

Slide 21:

 Derived from Multiple Sources. (ITAO IMU Essential Indicators Report, Baghdad, 20 November 2008) (Bloomberg) (Central Bank of Iraq, Foreign Exchange Auction, CBiraq.org) (http://www.cbiraq.org/C.B.I.%20FOREIGN% 20EXCHANGE%20AUCTIONS.pdf)

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- Iraqi Ministry of Foreign Affairs, November 12 http://www.mofa.gov.iq/english/news/display.aspx?NewsID=5577
- Iraqi Ministry of Foreign Affairs, November 17, http://www.mofa.gov.iq/english/news/display.aspx?NewsID=5602

Slide 24:

DOD Input to Weekly Status Report, updated November 19, 2008